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In the Matter of)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service)
)

To: Common Carrier Bureau

COMMENTS OF THE U.S. NATIONAL COMMISSION ON
LIBRARIES AND INFORMATION SCIENCE

The Honorable Jeanne Hurley Simon,
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1.) Introduction

On 7 November 1996, the Federal-State Joint Board adopted a Recommended Decision on Universal Service, as required by Section 254 of the Telecommunications Act of 1996 (P.L. 104-104). On 18 November 1996, the Federal Communications Commission (FCC) issued a request for Comment on that Recommendation. The U.S. National Commission on Libraries and Information Science (NCLIS)¹ is pleased to provide comments related to telecommunication service discounts for libraries. Specifically, these comments address issues related to universal service support for libraries presented in the Recommended Decision adopted by the Federal-State Joint Board.

The Commission commends the excellent work of the Joint Board in producing a comprehensive and balanced Recommended Decision. The careful consideration given by the Federal-State Joint Board and by staff to comments on the Universal Service provision and the thoughtful discussion of these complex issues reflect the important nature of these deliberations for the future.

At a meeting of the National Commission held in Washington, D.C. on 12 December 1996, NCLIS members reviewed those portions of the Federal-State Joint Board's Recommended Decision that address the need for libraries to

¹ NCLIS was established by P.L. 91-345 (19 July 1970) to conduct studies, surveys, and analyses, and to appraise the adequacies and deficiencies of current library and information services. The Commission advises the President and the Congress on the implementation of national and international policies related to libraries and information services. By P.L. 104-208 (30 Sept 1996) NCLIS provides policy direction to the Director of the Institute of Museum and Library Services (IMLS) regarding financial assistance authorized by the Library Services and Technology Act (LSTA).

access advanced telecommunications services at discounted rates. The members of the National Commission strongly endorse the Joint Board's recommendation that "...all eligible schools and libraries should receive discounts of between 20 and 90 percent on all telecommunications services, Internet access, and internal connections, subject to a \$2.25 billion annual cap...."(440, p. 238)² Further, the Commission endorses the Joint Board's recommendation that "...economically disadvantaged schools and libraries, as well as schools and libraries located in high cost areas, should receive greater discounts to ensure that they have affordable access to telecommunications and information services."(440, p. 238)

2.) Library eligibility for discounted telecommunications and information services

The National Commission notes that libraries require flexibility to be able to select specific telecommunications service arrangements and service packages that address the unique needs of their respective communities. In certain instances, public libraries that are eligible for service discounts may find it beneficial to develop commercial partnership agreements for advanced telecommunications, information, and Internet services for access by library patrons. Under these circumstances, specific libraries may not find it necessary to submit bona fide requests for services funded by universal service support mechanisms. Rather, these public libraries may pursue alternatives that are independent from services offered at discounted rates. Flexible provisions are

² References to the 7 Nov 1996 Federal-State Joint Board Recommended Decision include the paragraph number and page.

required that enable public libraries the flexibility to explore service packages at non-discounted rates when partnership arrangements with commercial telecommunications service providers prove advantageous for the communities served.

3.) Comments related to the identification of high cost and economically disadvantaged areas

The National Commission has conducted survey research in 1994 and 1996 that concentrates specifically on public library involvement with the Internet. Findings from this survey research serve as the basis for NCLIS's comments to the Joint Federal-State Board (CC Docket 96-45) filed on 8 April 1996, 7 May 1996, and 2 August 1996. The Commission's universal service proceeding comments and reply comments result from NCLIS's survey, presented in *The 1996 National Survey of Public Libraries and the Internet: Progress and Issues*, July 1996, which was included as an appendix to earlier NCLIS comments filed with the Federal-State Joint Board³. The findings from the NCLIS 1996 survey of public libraries are relevant to the Federal-State Joint Board's development of universal service regulations for libraries.

The NCLIS public library-Internet studies show that connectivity is increasing (from 20.9% in 1994 to 44.6% in 1996) at a rapid rate that exceeds 100% in two years. Survey findings indicate that the percentage of public libraries that will be connected to the Internet by the end of 1997 will approach

³ Findings from the NCLIS 1996 survey research of public libraries and the Internet are accessible via the Commission's World Wide Web (WWW) home page <<http://www.nclis.gov>>

75%⁴. However, it is important to note that the Commission's research findings indicate that there are wide variations in the types of Internet connections, in public library technology infrastructures, and in the ability of public libraries to provide and support public access to Internet-based services.

Recognition of these existing variations and discrepancies is important in order to assure that universal service discounts offered to libraries actually facilitate library patron access to advanced network services sufficient to accommodate the individual community's needs. The Commission's survey findings indicate that public libraries that serve communities of different size legal service populations reflect Internet connectivity discrepancies. Universal service discounted services can address these discrepancies and, over time, reduce inequities of public access to advanced services. But achieving universal service requires refined measures of the degree to which the potential for universal public access to advanced services available through libraries has been achieved.

As a result of research and analysis of discrepancies between public library Internet services available to the public in 1996, the National Commission is concerned about issues associated with low income discount eligibility, high cost eligibility, and appropriate discounts for different areas. These concerns relate to the need to assure that the universal service principles included in the Telecommunications Act of 1996 are addressed in setting the

⁴ U.S. National Commission on Libraries and Information Science. *The 1996 National Survey of Public Libraries and the Internet: Progress and Issues - Final Report*. Washington, D.C.: NCLIS, July 1996, p. 15 (figure 7).

discount levels that are required to enable different communities to offer advanced telecommunication services that meet the specific needs of patron segment populations within these communities.

The universal service discount provisions for libraries must allow libraries to provide public access to advanced quality telecommunications and information services, regardless of the region of the Nation or the size of the community served. The Commission's 1996 survey data suggests that approximately 25% of public libraries that serve 9% of the population will remain to be connected to the Internet after March 1997. Many of these public libraries serve small rural or isolated communities with populations of under 5,000. The costs to connect these public libraries and the costs for these libraries to support public access to advanced networked information services for their communities are likely to be significantly higher than for comparable services provided in urban areas. Statistical information related to these factors are essential to determine universal service discounts.

Unfortunately, current and reliable national statistical survey data about public libraries do not provide detailed information that can serve as the basis for identifying those classes of libraries that serve low-income communities or those libraries located in areas with high telecommunications costs. The NCLIS sample survey methodology for the public library studies done in 1994 and 1996 did not address the need to profile the economic status of various public library service area populations. Nor did these studies address the need to identify the relative costs for supporting Internet services in different communities.

Further, the annual public library census and statistics program administered by the National Center for Education Statistics (NCES) does not at this time collect information about the relative differences between income or cost levels appropriate to different library service area populations. However, Federal-State collaboration to develop standardized data elements and definitions which could address these data needs is possible in the future.

It is possible that in the future annual public library surveys conducted by NCES could provide a mechanism for obtaining data about the percentage of connected public libraries that serve economically disadvantaged areas and the percentage of connected public libraries that serve rural areas. However, the FCC requires current information regarding low-income discount and high-cost eligibility in order to evaluate the appropriateness of the proposed formula for the low income and high cost factors in discounted rates for libraries. In order to develop an ongoing system for library statistics that address the universal service goals, a series of detailed studies is needed which analyze and compare costs for public libraries serving different communities. Such studies will assess the effectiveness of current efforts to assure public access to advanced telecommunications and information services for economically disadvantaged populations and in high-cost areas. The results from these studies are critical, but it is doubtful that they will be available until late in 1997 at the earliest.

Research is required to identify methods that the FCC can use to identify high-cost areas for purposes of providing a greater discount to libraries located in these high-cost areas. The National Commission is currently discussing this

required research with representatives from the American Library Association and other library-related concerns. From these discussions additional information relating to public libraries serving economically disadvantaged areas should be available in the future. However, better coordination is needed among those various Federal agencies charged with responsibilities in this area (FCC, NCLIS, NTIA, Department of Education, etc.) in order to develop consistent methodologies for obtaining national data on a continuing basis that measures public library costs and use of advanced telecommunications and information services on a comparative basis for different communities.

The National Commission is interested in exploring possible collaborative efforts to support these requirements with FCC staff and Commissioners. Also in relation to this need, the Commission is required by P.L. 104-208 to provide policy direction to the Director of the Institute of Museum and Library Services (IMLS) regarding Federal financial assistance authorized by the Library Services and Technology Act (LSTA). Funds appropriated under this act support National Leadership Grants and Contracts which include funds designated for "...research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects." [P.L. 104-208 Sec. 262(a)(2)] Coordination and discussions involving NCLIS and the FCC regarding statistical research appropriate to determination of universal service discount indices relating to libraries may be possible in the future.

Research is also needed to develop economic advantage measurements that help identify economically disadvantaged libraries in order to establish a scale for determination of appropriate discount levels. This research is essential in order to assure that the matrix criteria established to achieve universal service discount level and library eligibility is applied on an equitable basis and indexed to the economic needs of the community, regardless of the region of the Nation.

4.) Library discount matrix mechanism needed

It is also important to note that libraries reflect conditions and organizational settings that are distinctly different from those involving schools. Libraries are required to provide services for all elements of their legal service populations, while schools are mandated to provide educational support primarily for students. Differences between the nature of those communities served by K-12 schools and those communities served by libraries require clarification if universal service provisions are to be developed that are equitable, nondiscriminatory, and that address the specific needs of libraries. In recommending the adoption of a rule which provides support to schools and libraries through a percentage discount mechanism (549, p. 296), the FCC should consider an alternate matrix of percentage discounts (555, p. 299) that would provide an index for libraries that is not based on the percent of students in the national school lunch program.

While the national school lunch program reflects the level of economic disadvantage for children enrolled in school as students, there appears to be little evidence that such a community wealth measurement model can be applied to those larger community segments that are served by public libraries. Public libraries serve populations of legal service areas that include people in a geographic area for which a public library has been established to offer services and from which (or on behalf of which) the library derives income, plus any areas served under contract for which the library is the primary service provider.⁵ Here again, additional research is needed to develop a satisfactory library-based matrix model of economic disadvantage that reflects the library situation more accurately.

In considering the development of an alternative library-based matrix model of economic disadvantage, the need to minimize any burdensome reporting and accounting requirements on libraries must be balanced with the mandate to achieve universal service access to advanced telecommunications and information services on an equitable and nondiscriminatory basis. Also, because many public libraries are involved with consortia and network organizations involving a wide variety of community organizations (including academic, special, school, public, and state libraries), provision is needed to address the allocation of costs and discounts (41, p. 329) for the aggregated purchase of telecommunications and information services supported through the discount mechanisms.

⁵ National Center for Education Statistics. E.D. Tabs - Public Libraries in the United States: 1993. Sept., 1995. p. 109.

5.) Library definition and eligibility for discounts

Finally, it is important to note that the Recommended Decision cites the Library Services and Construction Act (LSCA) definition of libraries in discussing restrictions imposed on the eligibility of libraries for discounts (19, p. 311). However, the Library Services and Technology Act (LSTA), enacted 30 September 1996 as part of the Museum and Library Services Act of 1996 (P.L. 104-208), amends paragraph (4) of section 254(h) of the Communications Act of 1996 to insert “library or library consortium not eligible for assistance from a State library administrative agency under the Library Services and Technology Act.” In order to clarify this situation, the FCC may want to consider reviewing the NCES Public Libraries in the United States: 1993 definition which states:

A public library is established under state and enabling laws or regulations to serve the residents of a community, district, or region. A public library is an entity that provides at least the following: 1.) an organized collection of printed or other library materials, or a combination thereof; 2.) a paid staff to provide and interpret such materials as required to meet the informational, cultural, recreational, and/or educational needs of a clientele; 3.) an established schedule in which services of the staff are available to clientele; and 4.) the facilities necessary to support such a collection, staff, and schedule.⁶

⁶ *ibid.* p. 110.